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# PRODUCTION GOALS FOR 1953 UNDER COMMUNIST CHINA'S FIRST FIVE YEAR PLAN

In a speech before the Chinese People's Political Consultative Conference on 4 February 1953, CC Premier Chou En-lai gave a partial list of the production goals for 1953 for some of the principal agricultural, mineral, manufacturing and construction branches of China's economy. These goals, expressed as percentages of 1952 attainments, are no doubt quite impressive to the Chinese public, promising as they do substantially greater production in all lines over the already publicized surpassing accomplishments of the year just passed. However, to the critical analyst, the goals appear only as the first cautious steps on the long road from China's low-level agricultural economy to eventual industrialization. The goals emphasize China's continued high degree of dependence on foreign technical resources, both engineering talent and mechanical equipment for the development of its industrial base. The pattern of foreign trade during 1952 bears out this emphasis, China exporting minerals, agricultural products, and vegetable oils in exchange for machinery and technical services.

The announced list of goals for 1953 is, significantly, incomplete, in respect to many essential aims which would tend to reveal the nature of China's relationship with the Soviet Bloc and its desires for development as a military power. Thus, the goals for increased production of uranium, molybdenum, antimony, tungsten, tin, munitions and chemicals are not mentioned, although their projection may be inferred to some extent from the known location of joint Sino-Soviet development projects and the Chinese need both to improve all possible means of payment for its imports of industrial equipment from the Soviet Bloc and to replace expensive imports by indigenous production.

The following table shows 1953 production goals derived from the announced percentages and comparative figures of production in previous years. In general, previous peak production for China as a whole is presumed to represent a combination of maximum production in China Proper under the Nationalists (usually 1936) and the maximum year of Manchurian production under the Japanese (usually 1943). Previous years' production of tungsten, tin, antimony, mercury and molybdenum are given (omitting, as the Communists do, the announced goals for 1953) to indicate the importance of these strategic minerals as assets of the Soviet Bloc.

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# ESTIMATED PRODUCTION OF SELECTED COMMODITIES IN COMMUNIST CHINA, 1949-1952

| Item and Unit of Measure | | Volume of Production | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Historical peak output* | 1949 | 1950 | 1951 | 1952 | Index 1953 goal, 1952=100 | 1953 goal |
| Pig iron | (000 metric tons) | 1,888 | 206 | 916 | 1,209 | 1,964 | 114 | 2,239 |
| Steel ingots | (000 mt) | 894 | 141 | 612 | 867 | 1,386 | 123 | 1,705 |
| Coal | (000,000 mt) | 60** | 27 | 35 | 42 | 54 | 100 | 54 |
| Electric power | (000,000 kwh) | 6,000 | 4,338 | 4,650 | 5,670 | 6,900 | 127 | 8,763 |
| Cement | (000 mt) | 2,195 | 678 | 1,442 | 2,349 | 3,161 | 117 | 3,698 |
| Petroleum | (000 mt) | 110 | 42 | -- | -- | 149 | 142 | 212 |
| Cotton yarn | (000 bales) | 2,401 | 1,738 | 2,408 | 2,543 | 3,457 | 109 | 3,768 |
| Cotton cloth | (000,000 bolts) | 30.5 | 21.9 | 33.1 | 34.6 | 53.2 | 116 | 61.7 |
| Raw cotton | bales | 3,870 | | | | 1,566 | 116 | 1,817 |
| Cotton lint | (000 mt) | 842.5 | 425 | 624 | | 609 | 116 | 706 |
| Copper | (000 mt) | | | | | 9 | 139 | 13 |
| Lead | (000 mt) | | | | 3.5 | 8.7 | 149 | 13 |
| Zinc | mt | | | | | 4.5 | 154 | 7 |
| Machine tools | units | | | | | 5,000 | 134 | 6,700 |
| Caustic soda | (000 mt) | | | | | 60 | 131 | 79 |
| Timber | (000,000 cu. m.) | | | | | 15 | 138 | 20 |
| Paper | (000 mt) | 85 | | | | 200 | 106 | 212 |
| Sugar | (000 mt) | 52 | | | 136 | 37 | 123 | 46 |
| Grain | (000,000 mt) | 114.42 | | | 37 | 110.16 | 109 | 120 |
| Tea | (000 mt) | | | | 116.93 | 100 | 116 | 116 |
| Tungsten | (000 mt) | 14.5 | 5 | 11.1 | 11.6 | 15 | | |
| Tin | (000 mt) | 15.4*** | 5 | 5.9 | 7.1 | -- | | |
| Antimony | (000 mt) | 30 | 6 | 6 | 9 | | | |
| Mercury | (flask-76 lb.) | 4,918 | | | 2,500 | 3,000 | | |
| Molybdenum | mt | 335 | | 125 | 225 | 325 | | |
| Fluorspar | (000 mt) | 61.9 | 10 | 20 | 30 | | | |
| Manganese | (000 mt) | 43 | | 20 | | | | |

(See footnotes on page 3)

Footnotes:

* Estimated on the basis of statements from Peiping that the "peak historical year" consists in general of the 1936 production figures for China proper added to 1943 figures for Manchuria.

** As reported in the Chinese Communist press.

\# Peiping specified 1938 as the peak year for production of tin.





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In addition to the announced goals in the above table an increase of investment of 65% for 1953 was announced for transport and communications over the 1952 accomplishment. This is interpreted to mean an increase in new railway construction, repair and double-tracking of existing lines (as well as telecommunications). If evenly applied over the three types of railway development, this might mean an increase in new railway construction of 680 kilometers plus additional double-tracking of segments of the Manchurian, North and South China lines. The Chengtu-Chungking line and the extension of the Lunghai line from Tienshui to Lanchow and double-tracking of the Harbin Changchun line were completed during 1952, besides the repair of the lines in Jehol and Liaotung Provinces.

The most significant figures in the above table, for the purpose of this discussion, are those relating to iron, steel, electric power, mineral and grain production. These figures denote the very low level of industry and the principally agricultural nature of the Chinese economy. The initial goals for 1953 place the heaviest emphasis on those industries in which more efficient use of present capacity plus small increases in absolute capacity will achieve relatively large increases percentage-wise in immediate production and will support much larger increases in production in subsequent years. Thus, the iron and steel industry envisages an increase of only 319,000 tons of steel ingots in 1953, but with the expansion of rolling and pressing mill capacity (which is known to be in process at the Anshan Steel Mills in Manchuria) and with the probable addition of more such equipment in subsequent years, the accomplishment of the initial and subsequent years' goals would not only go far toward making Communist China independent of outside sources of steel rails, shapes and sheets but would provide the material for simultaneous expansion of the railway system, the railway equipment industry and the alloy metals and munitions industries.

The expansion of production in the electric power industry from 5,670 million KWH in 1951 to 6,900 million KWH in 1952 and the planned expansion to 8,763 million KWH in 1953 are related to expansion of production not only in the heavy industries but also in the consumers goods industries. The increase in 1952 was reported to have been achieved to the extent of 20% by more efficient use of existing plant. Similarly the 1953 production involves more efficient use of existing facilities (i.e., a higher load factor) to the extent of 20% while the additional 7% increase (480 million KWH) is to be achieved by new capacity.

The above mentioned increases of industrial production require the minimum availability of Soviet technicians and the training of Chinese technicians to assume the planning and direction of these basic industries. Otherwise, characteristically of the Chinese economy, the railway construction and the planned increases of mineral production involve the maximum utilization of masses of unskilled manpower of which China has the most abundant supply. Projects involving earthwork, such as the building of railway road beds and mineral extraction, are well within China's elementary capabilities.

By the efficient organization of such mass labor projects in the initial stages, it is readily conceivable that Communist China can achieve the maximum availability of the scarce minerals within its boundaries, whereby it can make payment to the Soviet Bloc for the technical equipment and assistance with which to construct its industrial base. The production figures of tin, antimony, tungsten, molybdenum, and mercury may well be the most valuable consideration in the exchange of economic values in the Sino-Soviet relationship. These and the manpower which Communist China makes available to the Soviet Bloc in economic development projects and in military uses are the most important assets which China can contribute to the realization of Soviet aims in Asia. These assets explain the forces which Communist China can bring to bear to realize its industrialization aims as well as the joint Sino-Soviet military aims in Asia.

Just as importantly, these production figures are suggestive of the limits of Communist China's capacity to pay for the technical equipment and services to be supplied by the Soviet Bloc for China's industrialization program. For, as Stalin said in Economic Problems of Socialism in the U.S.S.R., "...it is needed in order, in the interests of our foreign trade, to conduct sales of means of production to foreign countries. Here, in the sphere of foreign trade,...our means of production are commodities, and really are sold..." Thus, Communist China must pay, out of its limited resources, on the best terms it can negotiate in the Soviet Bloc sellers' market, for all the commodities and services it receives from the USSR and its satellites. China's manpower, mineral and agricultural resources are the only values out of which it can muster the means of payment and which the Soviet bargain drivers would care to receive. The terms of payment, the Soviet Bloc's capacity to deliver, and the effectiveness of Chinese manpower in producing the values required by the Soviet Bloc are thus the determining limits of Communist China's progress toward industrialization.